

Message Text

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ACTION XMB-04

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FOR EXPORT-IMPORT BANK-ATTN: BOB KAISER

E.O. 11652: N/A
TAGS: ENRG, ETRD, SP, GW
SUBJECT: EX-IM BANK: TERMS OF GERMAN FINANCING ON REGODOLA
PROJECT

REF: KAISER/WILSON TELCON MARCH 2

1. PER REFTELCON, FOLLOWING ARE TERMS OF FINANCING BY
GERMAN FIRM IN REGODOLA PROJECT. THIS INFO PROVIDED
BY GE MADRID:

1) BASE CREDITS

- DIRECT CREDIT OF APPROXIMATELY 450 MILLION DM FROM
- KREDIT ANSTALLT.

- COMPLEMENTARY CREDIT OF APPROXIMATELY 450 MILLION
- DM FROM GROUP OF GERMAN COMMERCIAL BANKS WITH
- KREDIT ANSTALLT'S GUARANTEE.

NOTE: SUCH CREDITS COVER ONE HUNDRED PERCENT OF ABOVE
AMOUNTS. FIFTEEN PERCENT DOWNPAYMENT NOT REQUIRED AND
FINANCED BY ADDITIONAL CREDIT UNDER POINT 2 BELOW. SCOPE
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COVERS GOODS, SERVICES, ENGINEERING, INTERESTS DURING
CONSTRUCTION, ESCALATION AND FEES. ABOVE AMOUNTS DID
NOT REPRESENT A CREDIT LIMIT IN FACT CUSTOMER IF REQUIRED
COULD HAVE ASKED FOR LARGER AMOUNTS BUT ALWAYS ON FIFTY/
FIFTY BASIS THAT IS FIFTY PERCENT DIRECT CREDIT AND
FIFTY PERCENT COMPLEMENTARY CREDIT. FIFTEEN PERCENT
OF AFOREMENTIONED 900 MILLION DM CAN BE USED BY CUSTOMER

TO FINANCE LOCAL PURCHASES. INTEREST RATE FOR AFORE-
MENTIONED BASE CREDITS IS OFFERED AT CUSTOMERS CHOICE
EITHER FIRM SLIGHTLY BELOW 8.25 PERCENT OR FLOATING AT
ONE AND ONE FOURTH PERCENT ABOVE GERMAN INTERBANK DISCOUNT
RATE /NOT LIBOR/. SEVEN YEAR GRACE PERIOD AND REPAYMENT
IN TWENTY EQUAL SEMIANNUAL PAYMENTS. TOTAL OF SEVENTEEN
YEARS. REGODOLA CONSORTIUM NOT REQUIRED TO PROVIDE ANY
TYPE OF GUARANTEES. HOWEVER KREDIT ANSTALLT REQUIRES
GUARANTEES WHICH ACCORDING TO CUSTOMER ARE PROVIDED BY KWU
WITH SOME PRIVATE GERMAN BANKS ASSISTANCE, THROUGH UNKNOWN
MECHANISM.

2). ADDITIONAL CREDIT

- - SYNDICATED THROUGH A GROUP OF PRIVATE BANKS
- - AMOUNT" APPROXIMATELY 300 DM
- - GRACE PERIOD SIX YEARS. REPAYMENT TWELVE EQUAL
- SEMIANNUAL PAYMENTS. TOTAL OF TWELVE YEARS.
- - INTEREST RATE ONE AND THREE EIGHTHS PERCENT ABOVE
- GERMAN INTERBANK DISCOUNT RATE. INTEREST DURING
- CONSTRUCTION CANNOT BE CAPITALIZED IN THIS ADDI-
- TIONAL CREDIT.
- - SUCH CREDIT CAN BE USED BY CUSTOMER IN ANY WAY HE
- WISHES INCLUDING SPENDING WHOLE AMOUNT TO FINANCE
- LOCAL PURCHASES.
- - AGAIN GUARANTEES NOT REQUIRED FROM REGODOLA CONSOR-
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- TIUM.

2. GE ALSO INFORMED US THAT FECSA WILL MAKE PRE-SELECTION
OF SUPPLIERS BASED SOLELY ON FINANCING. TWO SUPPLIERS
THUS SELECTED WILL THEN COMPETE ON TECHNICAL ASPECTS AND
PRICE. THIS, OF COURSE, HIGH-LIGHTS IMPORTANCE OF PRO-
POSED MEETING BETWEEN MR. MOORE AND FECSA. STABLER

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Message Attributes

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